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OFFICE OF THE
EXECUTIVE SECRETARY
June 15, 1999

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Reference: Docket #99-00304

P.O. Box 609
203 Cumberland Avenue
Pikeville, Tennessee 37367

(423) 447-2121

Dear Mr. Waddell:

Enclosed are an original and 13 copies of a revised Exhibit B to Bledsoe Telephone Cooperative's IntraLATA Toll Dialing Parity Implementation Plan.

The original Exhibit B inadvertently contained both originating and terminating MOUs. The cost recovery will be based on originating MOUs only.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gregory L. Anderson".

Gregory L. Anderson
General Manager

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Telecommunications Company
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Exhibit B
Revised June 14, 1999

OFFICE OF THE
EXECUTIVE SECRETARY OF
TENNESSEE
METHODODOGY FOR RECOVERY OF COSTS
ASSOCIATED WITH
IMPLEMENTATION OF INTRALATA SUBSCRIPTION

CALCULATION OF INITIAL EQUAL ACCESS RATE ELEMENT

Step 1: Identify the estimated total incremental costs directly attributable to the provisioning of IntraLATA Subscription. Incremental costs include the following items:

- a) network hardware upgrades to provide the full 2-PIC methodology in all exchanges
- b) central office software upgrades
- c) software translations
- d) system programming/testing
- e) training for Business Office, Marketing, Carrier Services, Customer Services, and Service Center personnel
- f) customer notification (bill message, newsletter and special mailing)
- g) implementation activity - administrative costs
- h) PIC change charge waiver

\$56,886

Step 2: Identify estimated total originating Intrastate/IntraLATA minutes of use for the 4 year recovery period.

12,401,440

Step 3: Calculate a cost recovery rate by dividing amount in Step 1 by the Minutes of Use in Step 2.

\$0.004587

ANNUAL TRUE-UP OF EQUAL ACCESS RATE ELEMENT

Repeat Steps 1 through 3 and calculate an updated access rate element by dividing amount in Step 1, adjusted by the previous year/years cost recovery.